

West European trailer market grows by 13.4% in 2015 - The UK outperforms with 25% growth to an all time record figure

CLEAR International has issued a new report forecasting the demand for heavy goods trailers in Western Europe to 2020.

In 2015 the trailer market got off to a strong start with registrations of new trailers up 14.8% in the first half and by 11.9% in the second. Overall then, the market was stronger than anticipated at the beginning of the year.

The reason is that several markets which have struggled since the GFC (global financial crisis) performed very strongly in 2015. Italy for example was up 72% in the first half of the year and finished the year up by 60%. Spain, where registrations in 2014 were half pre-crisis levels, started the year up 55% and finished up 46%.

Two countries which have recovered quite well from the crisis have also had strong years. The Netherlands finished 2015 up 22%. The UK, which set a new record for trailer demand in 2014, smashed that record in 2015 after a 25% increase making UK the second largest trailer market behind Germany.

These four countries plus Denmark and France accounted for almost all the extra demand for trailers compared to 2014.

What we are seeing in these markets is basically catch-up demand. In many European markets the demand for new trailers has been so far below the long term trend level for so many years that, as soon as haulage companies regain the confidence to invest in new assets, the floodgates are opened and two or three years of exceptional increases (measured in percentage terms) are possible.

Within the big 7 economies of Western Europe, all are forecast to have accelerating GDP growth and higher business investment. The CLEAR thesis is that this positive trend of economic development in 2015/16 will lead to a further increase in the trailer market in 2016. A cyclical slowdown is forecast in 2018.

However, at the time of writing there has been a significant slide in stock market levels and there are serious concerns over the levels of global trade, in particular, the slowing growth in China. The problem with such sentiment is that it may undermine business confidence and lead to the postponement of decisions to purchase assets such as transport equipment.

A more encouraging development is that the West European Trailer Parc (or fleet size) again exceeded the 2 million level in 2015, a figure seen only once before in 2008. It is anticipated that the parc will remain close to this level for the rest of this decade.

The recovery in parc numbers is initially surprising given that the demand for road transport (tonne-km) remains well below the 2007/8 level. However, it is trailers from 0-7 years old that do most of the transport work and it is these vehicles that have only been partially replaced since the 2009 crisis.

Background

77% of all goods in Europe are moved by road and most of that proportion is transported in a trailer.

The West European Trailer Market Report (February 2016), with forecasts to 2020, can be obtained from CLEAR using the contact details below. A new report for the East European market was issued in October 2015. A Global Trailer Database was published in July 2015.